APPENDIX B
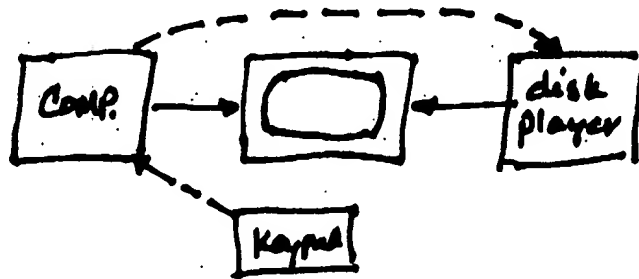
Mark —

The WICAT system involves a computer,
an optical disk player, a TV monitor, an a
Keypad:

The disk holds 30 minutes of frame addressable
linear video segments. Additionally there are many
still frames. The computer program that controls
the MDs application is on a floppy disk inserted
into a disk drive of the computer. The program
includes the addresses of all the segments and
still frames on the disk and allows the computer
to branch to the relevant segments and stills
in response to the MD's menu selections entered
at the Keypad. At the end of the tutorial session,
the computer evaluates the MD's decisions and
displays a score on the TV. Included is the total
sum the patient must pay for doctor visits, lab
fees, medicine, etc.

The WICAT saleswoman who gave the demo
said that the disk player doesn't control the
computer in any way and that there is nothing
in the linear video that causes the computer to
compute or output anything.

In order for a WICAT like system to be able to present my economic model, the linear video must be able to explain what's going on in the computer. Thus the computer program must be in the linear video rather than on the floppy disk. Or more relevantly, some of the program must be in the video and some must be on the floppy. The various digital detector paths in our signal processor can detect the embedded computer programming and input it to the computer. Three alternative configurations occur to me:
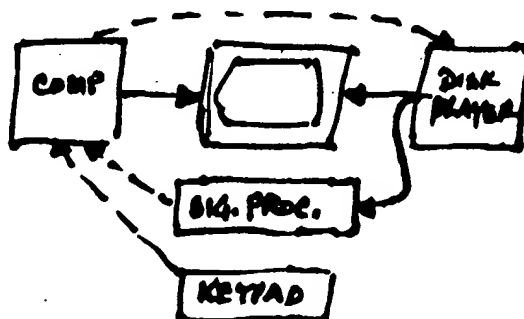

In this first-configuration, the ~~video that~~ television transmission that the disk player transfers to the TV monitor is also transferred to the Sig. Proc. where the embedded instructions are detected and input the computer (the S.P. requires ~~an input~~ a connection from the buffer/comparator to the computer)

In order for the economic model to have its most useful commercial application, it's essential that the user see the most up-to-date information, both as data and in the video programming. This requires a television receiver be added at a minimum:
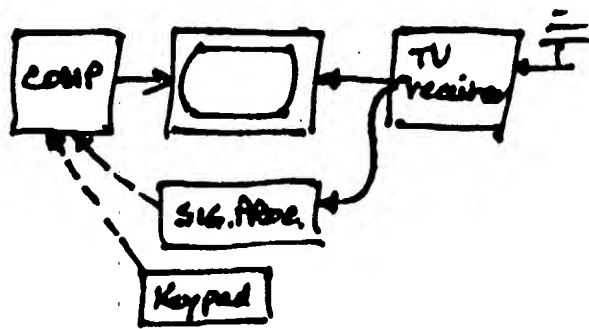
The TV receiver is shown here as replacing
the disk player, but it could also be an added
piece of equipment. Obviously the TV transmission
is input to the signal processor in such a way that
the proper paths are input to the detectors and
the instructions are inputted to the computer.

To get up-to-date price data, the signal
processor could continuously receive a second
transmission and input it to the computer, or
the computer could receive the prices from
another source.
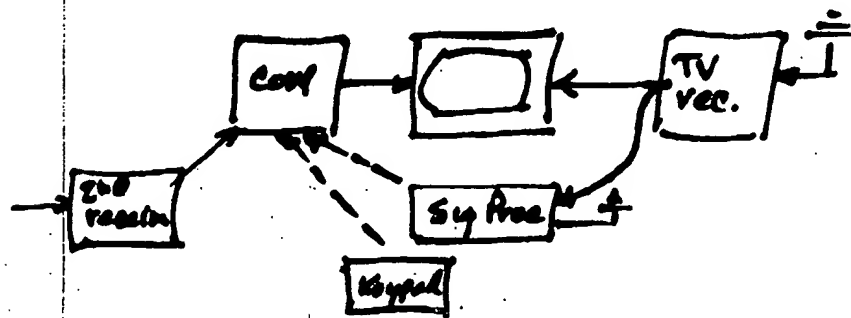
In this drawing the signal processor is
detecting data in a second transmission and
the "2nd receiver" is inputting data like a modem.

To work properly, the computer must be programmed to hold the viewer's securities portfolio (e.g., bonds) and process the received prices and programming instructions. The computer stores relevant prices (e.g. daily closing prices, weekly closes, monthly closes as well as current prices). It may also have the capacity to query a data base for unusual information)

A TV program on economic/financial planning is received and displayed. On the program are embedded instructions that control the computer. The signal processor detects the instructions and inputs them to the computer. At the beginning of the program the instructions cause the computer to compute various projections on the basis of the viewer's stored information and construct corresponding graphics that show the projections. The announcer says, "The Fed raised the discount rate today, and here is what our model says is the way the yield curve will react over the coming week." In the TV program the image of a specific grade of securities -- e.g. S&P A -- is shown. The announcer then says, "On the basis of our yield spread projections, here is what the model projects your portfolio to do over the same period." At this point a particular instruction is detected that causes the computer to communicate a first graphic to the TV and the TV to display it overlaid on the yield curve projection." Subsequently others of the graphics are shown on embedded command.

In an audience of any sizes beyond one, each bond trader would see a different graphic representation because each would have different bonds with different grades/maturities/coupons etc. The program could point out areas of particular sensitivity and would potentially have significant values for users and an impact on the market.

Let me know if any of this isn't clear to you and if you know anyone doing this or talking about it. I'll pursue the question of patentability.

Best regards

Nordw

Witnessed & Received,

Mark J L Goodman